

REVISED MOTION BY SUPERVISOR MARK RIDLEY-THOMAS JANUARY 11, 2011

**Agreement with T.H.E. Clinic for \$1.6 M in Capital Improvements  
at Ruth Temple Health Center**

The County of Los Angeles (County) currently owns the Ruth Temple Health Center (County Facility) located at 3834 Western Avenue, Los Angeles, California 90062. Since 1996, the Department of Public Health (DPH) and the To Help Everyone Clinic (T.H.E. Clinic) have shared space at the County Facility, with T.H.E. Clinic occupying approximately 14,909 square feet and DPH occupying the remaining space. T.H.E. Clinic currently pays \$1 a year for lease consideration and is also responsible for its pro-rata share of the County Facility's operating expenses.

The County Facility is almost fifty-five years old and, according to an assessment conducted by the County's Chief Executive Office (CEO), requires roughly \$1.35M in repairs.

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**MOTION**

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T.H.E. Clinic has a long-standing presence in the Los Angeles County health care safety net. Since 1996, T.H.E. Clinic has worked with the County's Department of Health Services under the Public Private Partnership (PPP) Program, providing health care to the County's under and uninsured population. T.H.E. Clinic, a Federally Qualified Health Center (FQHC), provides roughly 32,000 primary care visits a year, including 13,419 visits through the PPP Program. T.H.E. Clinic also contracts with DPH's Office of Aids Programs and Policy to provide Human Immunodeficiency Virus testing services to surrounding underserved communities. Finally, the California Office of Statewide Planning and Development reports that, since 2003, T.H.E. Clinic has provided roughly \$6.7M in uncompensated care.

In October 2010, T.H.E. Clinic, on its own initiative, applied for and was awarded a \$1,559,000 federal Health Resources and Services Administration (HRSA) Capital Development grant to improve the space it currently occupies at the County Facility. It intends to use the funds to perform repairs deferred by the County, including the removal of asbestos, repair of one elevator and installation of another new elevator, replacement of flooring and improvement of the building's outside appearance. The receipt of federal funds is conditioned upon the Board of Supervisors (Board) promptly approving a ten year lease with T.H.E. Clinic. Further, HRSA has required that the County execute in its favor a Notice of Federal Interest in the County Facility, which will give the federal government a lien against the Facility, as required by federal regulation

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for grants in excess of \$500,000.

**THEREFORE, I MOVE THAT THE BOARD OF SUPERVISORS**, as authorized by Government Code Section 26227:

1. Find that approximately 14,909 square feet of space at the Ruth Temple Health Center and utilized by the T.H.E. Clinic is not needed for County purposes during the time of the proposed use;
2. Find that the programs and services provided by the nonprofit T.H.E. Clinic to the local community serve a public purpose which benefit the County and its residents;
3. Find that the issuance of a ten year lease agreement with the T.H.E. Clinic is categorically exempt from CEQA pursuant to CEQA Guidelines 15301 (Existing Facilities) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines;
4. Delegate authority to the ~~Direct the~~ Chief Executive Officer (CEO) or his designee, with the Director of the Department of Public Health or his designee, to negotiate appropriate lease terms that are commensurate with lease terms negotiated with other similarly-situated P.P.P. clinics, and instruct the Mayor to sign a new ~~gratis~~ lease with T.H.E. Clinic for ten years with an option to renew for two additional ~~five~~ ten-year terms upon the Board's approval, for approximately 14,909 square feet of space and unreserved parking;

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5. Authorize the CEO or his designee and/or the County's Director of Public Works or her designee to execute and/or process any related documentation required to facilitate the Ruth Temple Health Center's upgrades, tenant improvements, and asbestos mitigation, at T.H.E. Clinic's sole cost, as well as the Notice of Federal Interest and any related documents required by HRSA. The lease is contingent upon: (1) T.H.E. Clinic agreeing to pay a basic rent which shall include a set amount for its share of operating costs, adjusted by a Consumer Price Index formula; ~~for its pro-rata share consisting of approximately 51.37% of the Ruth Temple Health Center's operating costs;~~ and (2) The County's Department of Public Works review and approval of the construction plans for the improvement project;
6. Instruct the CEO to offset any retroactive operating expenses owed by T.H.E. Clinic from 2004-2010 under its PPP Program agreement, estimated at \$487,011.00 in consideration of and contingent upon T.H.E. Clinic making the approved \$1,559,000 in capital improvements to the County-owned Ruth Temple Health Center property, resulting in a net monetary gain to the County of over \$1 million; and
7. Instruct the CEO and the Director of the Department of Public Health to convene a task force with T.H.E. Clinic to appropriately plan the capital improvements to avoid service disruptions as well as any construction delays at the Ruth Temple

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Health Center to the greatest extent possible.

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